FINANCIAL SECRETARIAT

Sanctions the appointment of Economy Officer.

ORDER NO. FL. 5086-5176—G. F. 206-47-1, DATED BANGALORE, THE 8TH MARCH 1948.

The financial position of Government had undergone a radical change during the period of War. Government had to enforce several control measures to meet with the situation and in consequence several new departments had to be created such as Food, Civil Supplies, etc. Government had to necessarily increase the defence forces and the expenditure on Military and Police Departments increased to an appreciable extent. In view of the high cost of living necessitated by conditions created by War, Government had to sanction Dearness and War Allowances to Government Servants at a heavy recurring cost of nearly 1·25 crores per annum. The expenditure had also abnormally increased under all heads due to increased costs. The losses on account of subsidising foodgrains to end of 1946-47 aggregated to about 2·35 crores. In spite of the heavy increases, the financial position did not appear so dark during the period of War, as there were corresponding increases under the Revenue Heads which were of an adventitious nature. The position during the post-war period has become complicated. The adventitious increases on the Revenue side could no longer be expected and our Revenues have begun to decline rapidly. The Police and Military have been augmented and the cost of dearness and high price allowance has also remained at the same level. In addition to these increases, the policy of Prohibition will wipe out the Excise Revenue in the next two or three years and the revision of scales of pay of the non-gazetted staff on the recommendations of the Pay Committee and the recurring cost of post-war schemes would be an additional burden of an appreciable magnitude. The fall in revenue and the increased expenditure of all these items are estimated to be over Rs. 5 crores though some of the items may be spread over the next two or three years. While the Revenue position may be taken as fairly satisfactory in the sense that during the current year it is estimated to stand at Rs. 10 crores, the increased expenditure, the fall in revenue for the coming years and the additional commitments would threaten the soundness of the financial position unless the whole position is reviewed and balance restored.

The question of effecting economy in the State exp ture and improving the revenue position have been eng the attention of Government for some time past. On th of the public there has been general insistence for eff economy and also to see to the Ways and Means of im ing the Revenue. Both in the Representative Assembl in the Legislative Council at the Sessions held in Dece 1947 and January 1948, respectively, resolutions to this were brought and withdrawn on the assurance give Government that the principles underlying the resolu were acceptable to Government.

On occasions when the Revenue position had threatened in the past, Government had appointed retr ment committees once in 1922 and again in 1931. circumstances and conditions then were quite differen under the present circumstances which are complic Government after consideration feel that the whole prc could be tackled more efficiently by an officer of suffi status and experience and when the report of such an c is before Government, Government could then cor whether the report is to be placed before a Committe their recommendations also taken into account before pa orders. After considering all aspects of the case, Govern are pleased to appoint Mr. B. S. Raghavendra Rao, Commissioner of Economic Development and Planning, has had wide experience in several Departments and was also till lately Financial Secretary, as Economy Offic Government in addition to his own duties.

The following are the general terms of reference :—

(1) To consider all questions of Economy Retrenchment in the several departments.

(2) To suggest Ways and Means of improvin revenue position either by fresh taxatio increasing the existing rates of taxes or other

He is authorised to inspect all offices, hold discus with Heads of Departments or concerned Ministers collect all the necessary information. The Heads of De ments and all Officers are requested to co-operate wit Economy Officer and render all assistance or furnish information required by him. The Efficiency Audit C and his staff may also render the required assistance.

M. SHAMANNA, *Finl. Secy.*

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